



Timika Shafeek-Horton
Deputy General Counsel

550 South Tryon Street
Charlotte, NC 28202

Mailing Address:
DEC45A / P.O. Box 1321
Charlotte, NC 28201

o: 704-382-6373

f: 980.373.8534

Timika.Shafeek-Horton@duke-energy.com

October 10, 2013

VIA ELECTRONIC FILING

Mrs. Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

**RE: Application Regarding the Acquisition of Progress Energy, Incorporated by
Duke Energy Corporation and Merger of Progress Energy Carolinas,
Incorporated and Duke Energy Carolinas, LLC
PSC Docket No. 2011-158-E; Order No. 2012-517**

Dear Mrs. Boyd:

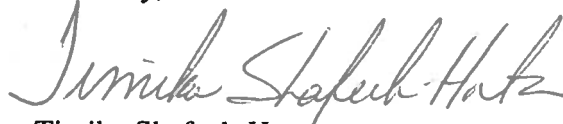
In Order No. 2012-517 Approving Joint Dispatch Agreement ("JDA"), the Public Service Commission of South Carolina ("Commission") conditioned its approval of the JDA on, among other things, Duke Energy Carolinas, LLC's ("DEC") and Duke Energy Progress, Inc.'s ("DEP") filing with the Commission all reports the North Carolina Utilities Commission required DEC and DEP to file in Order *Approving Merger Subject to Regulatory Conditions and Code of Conduct*, issued June 29, 2012, in Dockets Nos. E-2, 998 and E-7, Sub 986 (Order Approving JDA at 43).

One report that must be filed in NC is Potomac Economics' report to FERC concerning DEC's and DEP's compliance with the interim and permanent mitigation measures meant to address FERC's market power concerns stemming from the DEC and DEP merger. The reports Potomac has issued July 1, 2013 through September 30, 2013, are attached. The reports find DEC and DEP in compliance with FERC interim mitigation measures and permanent market power mitigation projects advancing as approved by FERC.

Mrs. Jocelyn G. Boyd
October 10, 2013
Page 2

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Timika Shafeek-Horton".

Timika Shafeek-Horton
Deputy General Counsel

TSH/bml

cc: Shannon Hudson, ORS
Courtney D. Edwards, ORS
John Flitter, Director of Electric and Gas Regulation
Parties of Record